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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO.6425 OF 1997

Shri. 'X'

..PETITIONER

VERSUS

1. Union of India,
presented by the Secretary,
Ministry of Finance,
Department of Revenue,
North Block,
New Delhi - 1.
2. Shri.R.D.Shedge,
3. Shri.V.V.Umranikar,
No.2 and 3 both
Senior Intelligence Officers
of the Director of the Anti Evasion,
Pune Regional Unit,
1025 Sadashiv Peth,
6th Floor, Vora Kothari Building,
Pune 411 030.
Now Superintendent,
Central Excise,
P.M.C.Building,
Tilak Road,
Pune 411 002.
4. The Assistant Director,
Directorate General
of Anti Evasion,
Pune Regional Unit,
1025 Sadashiv Peth,
Vora Kothari Building,
6th Floor,
Pune 411 030.
5. The Additional Director General
Director General of Anti Evasion,
Laxmi Insurana Building,
Ground Floor,
Sir P.M.Road,
Fort,
Mumbai 400 001.
6. The Director General of Anti Evasion,
West Block, No.VII,
Wing No.VI, Sector No.1,
Second Floor, R.K.Puram,
New Delhi 110 066.

7. The Chairman,
Central Board of Excise
and Customs,
North Block,
New Delhi 110 001. **...RESPONDENTS.**

Petitioner-in-person.
Shri.R.V.Desai, Sr. Counsel with Shri.P.S.Jetly
for the Respondents.

**CORAM : DR.S.RADHAKRISHNAN &
J.P. DEVADHAR, JJ.**

DATE : 14TH FEBRUARY, 2006.

JUDGMENT (PER : DR.S.RADHAKRISHNAN,J.)

1. The above petition has been filed by the
Petitioner who is appearing in-person seeking a
direction from this Court that the Respondents should
make an advance payment as Reward in relation to the
demand notices issued with regard to evasion of
Central Excise by the Respondents. The Petitioner is
claiming aforesaid advance Reward out of the total
demand of Rs.52 crores, by various notices issued.

2. The Petitioner has contended that the Finance
Ministry of Government of India had formulated Reward
Policy in the year 1985 which has been disclosed in a
circular dated 30th March, 1985 which contemplates
grant of Reward to Informers, Government servants in
case of seizure made, infringement of evasion of duty
etc. under the provisions of (i) Customs Act, 1962,
(ii) Central Excise and Salt Act, 1944, (iii) The Gold

Control Act, 1968 and (iv) The Foreign Exchange Regulation Act, 1973. It is the contention of the Petitioner that he was the Informer with regard to the various evasions of Central Excise as pointed out by the Petitioner. It is also the case of the Petitioner that, in pursuance of the Petitioner giving the said information, after investigation the Respondents had issued various demand notices totalling to Rs.52 crores. The Petitioner contends that as per the policy dated 30th March, 1985, the Petitioner claims that he is entitled to payment of an advance Reward. In that behalf, the Petitioner-in-person brought to our notice clause 5.3 of the aforesaid policy dated 30th March, 1985 which reads as under :-

5.3 "In all other cases, whether of seizure or of evasion/infringement detected on the basis of documents, 25% of the expected final Reward may be paid after the issue of a show cause notice provided the authority/competent to sanction Reward is satisfied that there is reasonable chance of confiscability/infringement/evasion, as the case may be being established in adjudication and sustained in appeal/revision proceedings."

3. The above petition was admitted by this Court and it came up for final hearing. This Court had directed the Respondents by an order on 24th February, 2004 that the advance Reward claim of the Petitioner should be decided within a period of eight weeks. It appears that pursuant to the aforesaid directions, the

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Reward Committee, consisting of Director General, Directorate General, Directorate General of Revenue Intelligence and the Chief Commissioner of Central Excise, Zone-I, Mumbai appear to have met at Bombay on 22nd March, 2004 to examine the claim of the Petitioner-Informer. The said Committee has passed an order dated 22nd March, 2004 and the minutes of the said Reward Committee is produced before us. The said Committee had concluded that there is no case made out for grant of any advance Reward or final Reward to the Petitioner-Informer at this point of time.

4. The main contention of the Petitioner is that the aforesaid Reward Committee, while considering the claim for an advance Reward, appears to have been guided by the guide-lines formulated by the Central Government dated 20th June, 2001. The Petitioner-in-person brought to our notice that in paragraph 2 as well as paragraph 4 the Committee has clearly indicated that the Committee had relied on the aforesaid guide-lines dated 20th June, 2001 to determine the eligibility of the advance Reward for the Petitioner-Informer.

5. The Petitioner-in-person contends that as per the new guide-lines dated 20th June, 2001, there is a drastic difference in the said guide-lines. In the sense while awarding advance or interim Award the said

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guide-lines clearly mentions that normally no advance or interim award will be granted. However, only in cases where the parties or persons involved had voluntarily paid the amount of duty evaded during the course of investigation, admitting their liability, 25% of the voluntary deposits made may be considered for payment as advance/interim Award to the Informers after issuing of show cause notices.

6. The Petitioner-in-person contends that in the instant case the Petitioner had informed even prior to 1994 with regard to various evasion in pursuance thereof. Even show cause notices were already issued to the concerned evaders, therefore the Petitioner contends that since in the instant case the information was given much prior to 20th June, 2001 and also all the show cause notices were issued much prior to 20th June, 2001, the Petitioner's case ought to have been considered by the earlier policy i.e. 30th March, 1985 and not by the current policy dated 20th June, 2001.

7. Even the learned Counsel appearing on behalf of the Respondents could not dispute, as it is appearing from the Reward Committee's report dated 22nd March, 2004, that the Committee appears to have considered the claim of the Petitioner based on the new policy dated 20th June, 2001. We find that the Petitioner had informed the Respondents of such

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evasion much prior to 20th June, 2001 and in pursuance of said information all the show cause notices totalling to Rs.52 crores were already issued prior to 20th June, 2001. Under the aforesaid facts and circumstances of the case, the Reward Committee ought to have considered the claim of the Petitioner based on the earlier Reward Policy dated 30th March, 1985.

8. Under the aforesaid facts and circumstances of the case, only on this limited ground, we are inclined to set aside the minutes of the Reward Committee dated 22nd March, 2004 and accordingly, the same stands quashed and set aside and we remand the matter back to the Reward Committee, so as to enable the said Reward Committee to take a fresh decision taking into account all the facts and circumstance of the case strictly in terms of the Reward Policy dated 30th March, 1985 as indicated in clause 5.3 of the said policy, and the decision shall be communicated to the Petitioner within a period of four months from today. Rule is accordingly made absolute, however, no order as to costs.

(DR.S.RADHAKRISHNAN,J.)

(J.P. DEVADHAR,J.)